

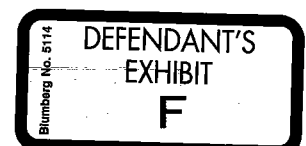
IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

PROFESSIONAL SALES AND)	
MARKETING GROUP, INC.,)	
)	
Plaintiff,)	
)	
v.)	Civil Action No. 07 C 3951
)	
RENETTO, LLC,)	
)	
and)	
)	
SWIMWAYS CORPORATION,)	
)	
Defendants.)	
)	

DEFENDANT SWIMWAYS CORPORATION'S INITIAL RULE 26 DISCLOSURES

Pursuant to Rule 26(a)(1) of the Federal Rules of Civil Procedure, Defendant SwimWays Corporation ("SwimWays") provides the following initial disclosures. SwimWays makes these disclosures based on information reasonably available to SwimWays as of this date, recognizing that its investigation into the facts of this case is continuing. By making the following disclosures, SwimWays does not represent that it is identifying every document, tangible thing, or witness relevant to this lawsuit. SwimWays reserves the right to supplement, change, or amend these disclosures. Further, SwimWays reserves the right to call any witness, including expert witnesses, or to present any exhibit or item at trial not listed herein but determined through discovery or investigation to be relevant to the subject matter of this action.

In addition, SwimWays does not waive its right to object to the production of any document or tangible thing disclosed herein on the basis of any privilege, the work product doctrine, relevancy, undue burden, or any other valid objection. SwimWays' initial disclosures are also made without waiving: (1) the right to object on any grounds, including but not limited to competency,



privilege, relevancy, materiality, or hearsay, to the use of such information for any purpose, in whole or in part, in any subsequent proceeding in this action or any other action; (2) the right to object to the use of any such information, in whole or in part, for any purpose, in any subsequent proceeding in this action or in any other action; and (3) the right to object on any and all grounds, at any time, to any other discovery request or proceeding involving or relating to the subject matter of these disclosures.

All of the disclosures set forth below are made subject to the above qualifications.

I. IDENTIFICATION OF INDIVIDUALS (FED. R. CIV. P. 26(a)(1)(A))

SwimWays identifies the following individuals likely to have discoverable information that SwimWays may use to support its claims or defenses. SwimWays reserves the right to supplement this disclosure as the case progresses.

A. Representatives of Professional Sales & Marketing Group, Inc. (“PSM Group”), including but not limited to Howard Shraiberg and Todd Shraiberg, who are expected to have knowledge regarding: all matters raised in the Complaint filed by PSM Group, including but not limited to the existence and scope of any express or implied agreement between PSM Group and Renetto, LLC (“Renetto”), whether any such agreement was breached and by whom, what damages were caused by any such breach, whether any party tortiously interfered with the relationship between the others, and who owns the intellectual property related to the Canopy Chair, including the right to sell the Canopy Chair. Todd Shraiberg is expected to have information regarding his lack of knowledge of any transactions or contracts between Renetto, Inc. and SwimWays. Their addresses and telephone numbers are known to PSM Group.

B. Representatives of Renetto, including but not limited to Paul Robinette, David Reeb, and Steve Tinto, who are expected to have knowledge regarding: all matters raised in the

Complaint filed by PSM Group, including but not limited to the existence and scope of any express or implied agreement between PSM Group and Renetto, whether any such agreement was breached and by whom, what damages were caused by any such breach, whether any party tortiously interfered with the relationship between the others, the agreement between SwimWays and Renetto whereby SwimWays acquired the intellectual property related to the Canopy Chair, any interference by PSM Group in SwimWays' relationship with Renetto, and who currently owns the intellectual property related to and the exclusive right to sell the Canopy Chair. SwimWays understands that these representatives may be reached through counsel for Renetto.

C. Anthony Vittone. Mr. Vittone is General Counsel and Vice President of SwimWays, 5816 Ward Court, Virginia Beach, Virginia 23455, and may have information about the negotiations and agreement between SwimWays and Renetto relating to the Canopy Chair, and SwimWays' conduct with respect to sales of the Canopy Chair. Mr. Vittone may be reached through counsel for SwimWays.

D. David Arias. Mr. Arias is the President of SwimWays, 5816 Ward Court, Virginia Beach, Virginia 23455, and may have information about the negotiations and agreement between SwimWays and Renetto relating to the Canopy Chair, and SwimWays' conduct with respect to sales of the Canopy Chair. Mr. Arias may be reached through counsel for SwimWays.

SwimWays reserves the right to identify and/or rely upon any individual to which reference is made by PSM Group or Renetto in their own Rule 26 disclosures, or otherwise in discovery in connection with this case.

II. IDENTIFICATION OF DOCUMENTS (FED. R. CIV. P. 26(a)(1)(B))

Pursuant to Federal Rule of Civil Procedure 26(a)(1)(B), and based upon presently available information, the following categories of documents in SwimWays' possession, custody

or control may be used to support SwimWays' claims or defenses. The documents and tangible things listed below are located at SwimWays' corporate headquarters, 5816 Ward Court, Virginia Beach, Virginia 23455. SwimWays expressly reserves the right to identify and use documents from additional categories if, in the course of discovery and investigation relating to this case, SwimWays learns that such additional categories contain relevant documents.

- A. Documents relating to agreements between SwimWays and Renetto regarding the purchase of rights related to the Canopy Chair.
- B. Documents relating to intellectual property covering the Canopy Chair.
- C. Documents relating to alleged agreements between PSM Group and Renetto.
- C. Correspondence between counsel for SwimWays and counsel for PSM Group.
- D. Correspondence between counsel for SwimWays and representatives of PSM Group and Renetto.
- E. Correspondence between representatives of SwimWays and representatives of Renetto.

SwimWays also believes that the United States Patent and Trademark Office has documents relevant to the intellectual property rights in the Canopy Chair.

SwimWays also believes that PSM Group, Renetto, and third parties may have documents that support SwimWays' claims and defenses.

SwimWays reserves the right to use or rely upon any document to which reference is made by PSM Group or Renetto in their own Rule 26 disclosures or otherwise in discovery in connection with this case.

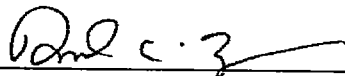
III. COMPUTATION OF DAMAGES (FED. R. CIV. P. 26(a)(1)(C))

SwimWays has not filed a counterclaim in this matter and, therefore, does not provide a computation of damages at this time. SwimWays reserves the right to claim attorneys' fees and costs incurred in defending this suit and will provide a computation when they can be reasonably ascertained. SwimWays also reserves the right to amend its disclosures should additional damages arise.

IV. INSURANCE AGREEMENTS (FED. R. CIV. P. 26(a)(1)(D))

SwimWays does not have any insurance coverage for this claim.

SWIMWAYS CORPORATION

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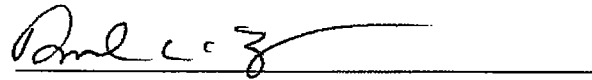
Attorneys for Defendant SwimWays Corporation

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CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing SWIMWAYS CORPORATION'S INITIAL RULE 26 DISCLOSURES upon the following counsel of record via e-mail and U.S. Mail, on this the 16th day of October, 2007:

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A handwritten signature, appearing to be "Paul C. Z", is written over a horizontal line.